

# **2013 DRAFTING REQUEST**

## **Bill**

Received:	<b>1/23/2013</b>	Received By:	<b>fknepp</b>
Wanted:	<b>As time permits</b>	Same as LRB:	
For:	<b>Administration-Budget 6-1037</b>	By/Representing:	<b>Hynek</b>
May Contact:		Drafter:	<b>fknepp</b>
Subject:	<b>Education - school finance</b>	Addl. Drafters:	
		Extra Copies:	<b>Peter Grant</b>

Submit via email: **YES**  
 Requester's email:  
 Carbon copy (CC) to: **fern.knepp@legis.wisconsin.gov**  
**tracy.kuczynski@legis.wisconsin.gov**

## **Pre Topic:**

DOA:.....Hynek, BB0417 -

## **Topic:**

Consolidation aid

## **Instructions:**

See attached

## **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	fknepp 1/24/2013			_____			
/1	fknepp 1/25/2013	kfollett 1/25/2013	rschluet 1/25/2013	_____	sbasford 1/24/2013		State S&L
/2				_____	srose		State

Vers. Drafted

Reviewed

Typed

Proofed

Submitted

Jacketed

Required

1/25/2013

S&L

FE Sent For:

**<END>**

**2013 DRAFTING REQUEST**

**Bill**

Received: **1/23/2013** Received By: **fknepp**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget 6-1037** By/Representing: **Hynek**  
May Contact: Drafter: **fknepp**  
Subject: **Education - school finance** Addl. Drafters:  
Extra Copies: **Peter Grant**

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to: **fern.knepp@legis.wisconsin.gov**  
**tracy.kuczenski@legis.wisconsin.gov**

---

**Pre Topic:**

DOA:.....Hynek, BB0417 -

---

**Topic:**

Consolidation aid

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	fknepp 1/24/2013						
/1		kfollett 1/24/2013	rschluet 1/24/2013		sbasford 1/24/2013		State S&L

FE Sent For:

  
<END>

**2013 DRAFTING REQUEST**

**Bill**

Received: **1/23/2013** Received By: **fknepp**  
Wanted: **As time permits** Same as LRB:  
For: **Administration-Budget 6-1037** By/Representing: **Hynek**  
May Contact: Drafter: **fknepp**  
Subject: **Education - school finance** Addl. Drafters:  
Extra Copies: **Peter Grant**

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to: **fern.knepp@legis.wisconsin.gov**  
**tracy.kuczenski@legis.wisconsin.gov**

---

**Pre Topic:**

DOA:.....Hynek, BB0417 -

---

**Topic:**

Consolidation aid

---

**Instructions:**

See attached

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
--------------	----------------	-----------------	--------------	----------------	------------------	-----------------	-----------------

/?	fknepp						
----	--------	--	--	--	--	--	--

1/15/13  
1/24/13  
Hynek

==

FE Sent For:

<END>

## Knepp, Fern

---

**From:** Hanaman, Cathlene  
**Sent:** Wednesday, January 23, 2013 2:00 PM  
**To:** Knepp, Fern; Kuczenski, Tracy; Grant, Peter  
**Subject:** FW: Statutory Language Drafting Request - BB0417

**From:** [Sara.Hynek@Wisconsin.gov](mailto:Sara.Hynek@Wisconsin.gov) [<mailto:Sara.Hynek@Wisconsin.gov>]  
**Sent:** Wednesday, January 23, 2013 1:46 PM  
**To:** Hanaman, Cathlene  
**Cc:** Hynek, Sara - DOA; Hynek, Sara - DOA; Thornton, Scott - DOA  
**Subject:** Statutory Language Drafting Request - BB0417

**Biennial Budget:** 2013-15

**DOA Tracking Code:** BB0417

**Topic:** Consolidation Aid

**SBO Team:** EWD

**SBO Analyst:** Hynek, Sara - DOA  
**Phone:** (608) 266-1037  
**E-mail:** [Sara.Hynek@Wisconsin.gov](mailto:Sara.Hynek@Wisconsin.gov)

**Agency Acronym:** DPI

**Agency Number:** 255

**Priority:** Medium

**Intent:**

Extend the 15% add-ons for consolidated school districts (oncost ceilings and guaranteed valuations) by 3 years, for a total of 8 years. Districts currently receiving aid would be eligible for the extension.

**Attachments:** False

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*



State of Wisconsin  
2013 - 2014 LEGISLATURE

In 1-24-13



LRB-130702 1  
FFK: E. Frmn

DOA:.....Hynek, BB0417 - Consolidation aid

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

Gen  
Nope!

1 AN ACT ...; relating to: the budget.

---

***Analysis by the Legislative Reference Bureau***

X The amount of equalization aid that a school district receives from the state is based on five factors, including shared cost and guaranteed valuation. Under current law, a school district that is created as the result of consolidation is eligible to receive additional equalization aid during the five years following the consolidation based on a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation. This bill extends the time period during which a consolidated school district may receive additional equalization aid based on adjustments to the shared cost and guaranteed value factors to eight years following the consolidation.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2 SECTION 1. 121.07 (6) (e) 1. of the statutes is amended to read: ✓

3 121.07 (6) (e) 1. For a school district created by a consolidation under s. 117.08

4 or 117.09, in the school year in which the consolidation takes effect and in each of the

↓  
1 subsequent ~~4~~7 school years, the amounts under pars. (b) and (d) shall be multiplied  
2 by 1.15 and rounded to the next lowest dollar.

**History:** 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286; 1999 a. 9, 17; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25; 2009 a. 28; 2011 a. 71.

3 **SECTION 2.** 121.07 (7) (e) 1. of the statutes is amended to read:

4 121.07 (7) (e) 1. For a school district created by a consolidation under s. 117.08  
5 or 117.09, in the school year in which the consolidation takes effect and in each of the  
6 subsequent ~~4~~7 school years, the amounts under pars. (a) to (bm) shall be multiplied  
7 by 1.15 and rounded to the next lower dollar.

**History:** 1971 c. 125; 1973 c. 61, 90, 190, 333; 1975 c. 39; 1977 c. 29, 178, 418; 1979 c. 34, 221; 1981 c. 20, 317, 385; 1983 a. 27, 212; 1985 a. 29; 1987 a. 27; 1989 a. 31, 114, 309, 336, 359; 1991 a. 39, 269, 315; 1993 a. 16, 437; 1995 a. 27 ss. 4046m to 4064, 9145 (1); 1997 a. 27, 113, 286; 1999 a. 9, 17; 2001 a. 16, 109; 2003 a. 33; 2005 a. 25; 2009 a. 28; 2011 a. 71.

8 **SECTION 9334. Initial applicability; Public Instruction**

9 (1) CONSOLIDATION AID. The treatment of section 121.07 (6) (e) 1. and (7) (e) 1.  
10 of the statutes first applies to a school district that is eligible to receive additional aid  
11 as the result of sections 121.07 (6) (e) 1. and (7) (e) 1. of the statutes on the effective  
12 date of this subsection.

13

(END)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1307/?dn

FFK...

*Date*

To Sara:

+  
X Do you want to include a similar extension for the special adjustment aid that is available to a consolidated school district under s. 121.105 (3)? The aid under s. 121.105 (3) is currently available for the same *five* year period that the *15 percent* increase to the consolidated school district's shared cost and guaranteed valuations is available.

Fern Knepp  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: fern.knepp@legis.wisconsin.gov



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1307/1dn  
FFK:kjfrs

January 24, 2013

To Sara:

Do you want to include a similar extension for the special adjustment aid that is available to a consolidated school district under s. 121.105 (3)? The aid under s. 121.105 (3) is currently available for the same five-year period that the 15 percent increase to the consolidated school district's shared cost and guaranteed valuation is available.

Fern Knepp  
Legislative Attorney  
Phone: (608) 261-6927  
E-mail: fern.knepp@legis.wisconsin.gov

## Knepp, Fern

---

**From:** Hynek, Sara - DOA <Sara.Hynek@Wisconsin.gov>  
**Sent:** Thursday, January 24, 2013 3:10 PM  
**To:** Knepp, Fern  
**Subject:** RE: Consolidation aid

In year 8, the aid is completely gone.

Sorry, I see what you're saying – let's ramp it down 66% of aid prior to consolidation for the 6<sup>th</sup> and 33% for the 7<sup>th</sup> years, and eliminate it for year 8.

Thanks for raising the issue!

---

**From:** Knepp, Fern [<mailto:Fern.Knepp@legis.wisconsin.gov>]  
**Sent:** Thursday, January 24, 2013 1:28 PM  
**To:** Hynek, Sara - DOA  
**Subject:** RE: Consolidation aid

Sara-

Thanks for your quick response. I have two quick questions. First, is the percentage also 5% in year 8? Second, the special adjustment aid in s. 121.105 (3) is not tied to a percentage. It simply guarantees that the consolidated school district receives at least the total amount of aid that the underlying school districts were eligible to receive in the school year prior to the consolidation. How would you like to decrease the guaranteed aid during the extension? You could do something like a certain percentage of what the underlying school districts were eligible to receive in the year before the consolidation.

Thanks,  
Fern

---

**From:** Hynek, Sara - DOA [<mailto:Sara.Hynek@Wisconsin.gov>]  
**Sent:** Thursday, January 24, 2013 1:13 PM  
**To:** Knepp, Fern  
**Subject:** FW: Consolidation aid

Hi Fern – thanks for the draft! We have a revision to the original concept. Instead of a flat-out extension, we would like in the 6<sup>th</sup> year to have the aid bumps to go from 15% to 10%, and then to 5% in the 7<sup>th</sup> year.

I think we would do the same with special adjustment aid, with the same ramp-down in the 6<sup>th</sup> and 7<sup>th</sup> years as described above.

Thanks!

---

**From:** [Scott.Thornton@Wisconsin.Gov](mailto:Scott.Thornton@Wisconsin.Gov) [<mailto:Scott.Thornton@Wisconsin.Gov>]  
**Sent:** Thursday, January 24, 2013 1:05 PM  
**To:** Hynek, Sara - DOA  
**Cc:** Thornton, Scott - DOA; Sachse, Diane - DOA; Hynek, Sara - DOA  
**Subject:** Consolidation aid

We have received an LRB draft for DOA Tracking Code: BB0417

LRB Draft Number: 1307/1

Drafter: FFK

Drafting Attorney: Fern F. Knepp

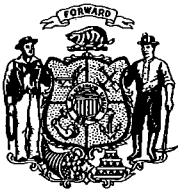
Phone: (608) 261-6927

E-mail: [fern.knepp@legis.wisconsin.gov](mailto:fern.knepp@legis.wisconsin.gov)

Drafter's Note: Do you want to include a similar extension for the special adjustment aid that is available to a consolidated school district under s. 121.105 (3)? The aid under s. 121.105 (3) is currently available for the same five-year period that the 15 percent increase to the consolidated school district's shared cost and guaranteed valuation is available.

PDF of Drafter's Note is found in the [Drafter's Notes Library](#).

The [document](#) can be found in the Stat Language site on SharePoint.



State of Wisconsin  
2013 - 2014 LEGISLATURE

In 1-25-13



LRB-1307/D/K

FFK:kjf:rs

rmr

DOA:.....Hynek, BB0417 - Consolidation aid

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

Don't Gen

1 **AN ACT ...; relating to: the budget.**

***Analysis by the Legislative Reference Bureau***

The amount of equalization aid that a school district receives from the state is based on five factors, including shared cost and guaranteed valuation. Under current law, a school district that is created as the result of consolidation is eligible to receive additional equalization aid during the five years following the consolidation based on a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation. This bill extends the period during which a consolidated school district may receive additional equalization aid based on adjustments to the shared cost and guaranteed value factors to eight years following the consolidation.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2 **SECTION 1.** 121.07 (6) (e) 1. of the statutes is amended to read:

3 121.07 (6) (e) 1. For a school district created by a consolidation under s. 117.08

4 or 117.09, in the school year in which the consolidation takes effect and in each of the

subsequent <sup>no strike</sup> ~~4~~ <sup>7</sup> school years, the amounts under pars. (b) and (d) shall be multiplied by 1.15 and rounded to the next lowest dollar.

SECTION 2. 121.07 (7) (e) 1. of the statutes is amended to read:

121.07 (7) (e) 1. For a school district created by a consolidation under s. 117.08 or 117.09, in the school year in which the consolidation takes effect and in each of the subsequent <sup>no strike</sup> ~~4~~ <sup>7</sup> school years, the amounts under pars. (a) to (bm) shall be multiplied by 1.15 and rounded to the next lower dollar.

**SECTION 9334. Initial applicability; Public Instruction.**

(1) CONSOLIDATION AID. The treatment of section <sup>§</sup> 121.07 (6) (e) 1. and (7) (e) 1. <sup>and 121.105(3)</sup> of the statutes first applies to a school district that is eligible to receive additional aid as the result of section <sup>§</sup> 121.07 (6) (e) 1. and (7) (e) 1. <sup>and 121.105(3)</sup> of the statutes on the effective date of this subsection.

(END)

2013-2014 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1307/2ins  
FFK:.....

CPs: Typed already

Education  
Primary and secondary

ANALYSIS INSERT

necessary

school

Under current law, a school district that is created as the result of consolidation is eligible to receive two types of additional state aid during the five years following the consolidation. The first type of additional state aid is an increased amount of equalization aid that is the result of a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation, which are two of the factors used to determine the district's equalization aid. The second type of additional state aid that a consolidated school district may receive is special adjustment aid in an amount to ensure that the consolidated school district's eligibility for general aid, at least equal to the total amount of general aid that the districts that were consolidated to create the district received in the year before the consolidation took effect (underlying district aid). This bill extends the period during which a consolidated school district may receive these two types of additional aid to seven years following the consolidation and makes the following changes during the extension period:

1. For the sixth school year following the consolidation, a 10 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors for purposes of determining equalization aid and the consolidated school district may receive special adjustment aid to guarantee that the school district receives at least 66 percent of the underlying district aid.
2. In the seventh year following the consolidation, a 5 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors for purposes of determining equalization aid and the consolidated school district may receive special adjustment aid to guarantee that the school district receives at least 33 percent of the underlying district aid.

END ANALYSIS INSERT

INS 2-2

In the 5th school year following the year in which the consolidation took effect, the amounts under pars. (b) and (f) shall be multiplied by 1.10 and rounded to the next lowest dollar. In the 6th year following the year in which the consolidation took effect, the amounts under pars. (b) and (f) shall be multiplied by 1.05 and rounded to the next lowest dollar.

END INS 2-2

INS 2-7A

1 *no H*  
2 In the 5th school year following the year in which the consolidation took effect,  
3 the amounts under pars. (a) to (bm) shall be multiplied by 1.10 and rounded to the  
4 next lowest dollar. In the 6th school year following the year in which the  
5 consolidation took effect, the amounts under pars. (a) to (bm) shall be multiplied by  
1.05 and rounded to the next lowest dollar. *lower*

END INS 2-7A

INS 2-7B

6 SECTION 1. 121.105 (3) of the statutes is amended to read:

7 121.105 (3) In the school year in which a school district consolidation takes  
8 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the  
9 consolidated school district's state aid shall be an amount that is not less than the  
10 aggregate state aid to which the consolidating school districts were eligible in the  
11 school year prior to the school year in which the consolidation takes effect. In the 5th  
12 school year following the school year in which the consolidation took effect, the  
13 consolidated school district's state aid shall be an amount that is not less than 66  
14 percent of the aggregate state aid to which the consolidating school districts were  
15 eligible in the school year prior to the school year in which the consolidation took  
16 effect. In the 6th school year following the school year in which the consolidation took  
17 effect, the consolidated school district's state aid shall be an amount that is not less  
18 than 33 percent of the aggregate state aid to which the consolidating school districts  
19 were eligible in the school year prior to the school year in which the consolidation  
20 took effect. The additional state aid shall be paid from the appropriation under s.  
21 20.255 (2) (ac).

END INS 2-7B



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-1307/2

FFK:kjf:rs

DOA:.....Hynek, BB0417 – Consolidation aid

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

1 **AN ACT ...; relating to: the budget.**

---

*Analysis by the Legislative Reference Bureau*

**EDUCATION**

**PRIMARY AND SECONDARY EDUCATION**

Under current law, a school district that is created as the result of consolidation is eligible to receive two types of additional state aid during the five school years following the consolidation. The first type of additional state aid is an increased amount of equalization aid that is the result of a 15 percent increase that is applied to the consolidated school district's shared cost and guaranteed valuation, which are two of the factors used to determine the district's equalization aid. The second type of additional state aid that a consolidated school district may receive is special adjustment aid in an amount necessary to ensure that the consolidated school district's general aid is at least equal to the total amount of general aid that the districts that were consolidated to create the district received in the school year before the consolidation took effect (underlying district aid). This bill extends the period during which a consolidated school district may receive these two types of additional aid to seven years following the consolidation and makes the following changes during the extension period:

1. For the sixth school year following the consolidation, a 10 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors for purposes of determining equalization aid and the consolidated school district may receive special adjustment aid to guarantee that the school district receives at least 66 percent of the underlying district aid.



2. In the seventh year following the consolidation, a 5 percent increase is applied to the consolidated school district's shared cost and guaranteed valuation factors for purposes of determining equalization aid and the consolidated school district may receive special adjustment aid to guarantee that the school district receives at least 33 percent of the underlying district aid.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 121.07 (6) (e) 1. of the statutes is amended to read:

2           121.07 (6) (e) 1. For a school district created by a consolidation under s. 117.08  
3 or 117.09, in the school year in which the consolidation takes effect and in each of the  
4 subsequent 4 school years, the amounts under pars. (b) and (d) shall be multiplied  
5 by 1.15 and rounded to the next lowest dollar. In the 5th school year following the  
6 school year in which the consolidation took effect, the amounts under pars. (b) and  
7 (d) shall be multiplied by 1.10 and rounded to the next lower dollar. In the 6th school  
8 year following the school year in which the consolidation took effect, the amounts  
9 under pars. (b) and (d) shall be multiplied by 1.05 and rounded to the next lower  
10 dollar.

11           **SECTION 2.** 121.07 (7) (e) 1. of the statutes is amended to read:

12           121.07 (7) (e) 1. For a school district created by a consolidation under s. 117.08  
13 or 117.09, in the school year in which the consolidation takes effect and in each of the  
14 subsequent 4 school years, the amounts under pars. (a) to (bm) shall be multiplied  
15 by 1.15 and rounded to the next lower dollar. In the 5th school year following the  
16 school year in which the consolidation took effect, the amounts under pars. (a) to (bm)  
17 shall be multiplied by 1.10 and rounded to the next lower dollar. In the 6th school  
18 year following the school year in which the consolidation took effect, the amounts

1 under pars. (a) to (bm) shall be multiplied by 1.05 and rounded to the next lower  
2 dollar.

3 **SECTION 3.** 121.105 (3) of the statutes is amended to read:

4 121.105 (3) In the school year in which a school district consolidation takes  
5 effect under s. 117.08 or 117.09 and in each of the subsequent 4 school years, the  
6 consolidated school district's state aid shall be an amount that is not less than the  
7 aggregate state aid to which the consolidating school districts were eligible in the  
8 school year prior to the school year in which the consolidation takes effect. In the 5th  
9 school year following the school year in which the consolidation took effect, the  
10 consolidated school district's state aid shall be an amount that is not less than 66  
11 percent of the aggregate state aid to which the consolidating school districts were  
12 eligible in the school year prior to the school year in which the consolidation took  
13 effect. In the 6th school year following the school year in which the consolidation took  
14 effect, the consolidated school district's state aid shall be an amount that is not less  
15 than 33 percent of the aggregate state aid to which the consolidating school districts  
16 were eligible in the school year prior to the school year in which the consolidation  
17 took effect. The additional state aid shall be paid from the appropriation under s.  
18 20.255 (2) (ac).

19 **SECTION 9334. Initial applicability; Public Instruction.**

20 (1) CONSOLIDATION AID. The treatment of sections 121.07 (6) (e) 1. and (7) (e) 1.  
21 and 121.105 (3) of the statutes first applies to a school district that is eligible to  
22 receive additional aid as the result of sections 121.07 (6) (e) 1. and (7) (e) 1. and  
23 121.105 (3) of the statutes on the effective date of this subsection.

24 (END)